

Staff Summary Report



Council Meeting Date: 05/22/08

Agenda Item Number: /

SUBJECT: Adopt a resolution approving the tentative budget; set a public hearing and special meeting for June 5, 2008 to adopt the final budget; and set the property tax rate at a meeting scheduled for June 19, 2008.

DOCUMENT NAME: 20080522fsae01 **BUDGET (0205-11-01) Resolution No. 2008.42**

SUPPORTING DOCS: No

COMMENTS: N/A

PREPARED BY: Cecilia Robles, Deputy Financial Services Manager (350-8881)

REVIEWED BY: Jerry Hart, Financial Services Manager (350-8505)

LEGAL REVIEW BY: Andrew Ching, City Attorney (350-8575)

FISCAL NOTE: See below

RECOMMENDATION: Staff recommends approval of Resolution No. 2008.42

ADDITIONAL INFO: As a result of the Capital Improvement Program (CIP) and Operating Budget sessions, the necessary exhibits have been prepared and are attached as required by law to provide notice to the taxpayer and begin the approval process for the FY 2008/09 budget.

Included in the \$564.5 million total financial program are all items discussed by the Council at the budget meetings. Per Council direction, the operating budget totals \$396.5 million and CIP budget totals \$168 million.

As prescribed in A.R.S. §42-17105, the tentative budget adoption process establishes the upper limit for next year's budget along with the time and date of the required public hearing prior to final adoption.

RESOLUTION 2008.42

A RESOLUTION OF THE COUNCIL OF THE CITY OF TEMPE,
MARICOPA COUNTY, ARIZONA, ADOPTING THE TENTATIVE
ESTIMATES OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE
FOR THE CITY OF TEMPE FOR THE FISCAL YEAR 2008/09; ADOPTING
A TENTATIVE BUDGET; SETTING FORTH THE RECEIPTS AND
EXPENDITURES; THE AMOUNTS ACTUALLY LEVIED AND THE
AMOUNTS ESTIMATED AS COLLECTIBLE FOR THE PREVIOUS FISCAL
YEAR; THE AMOUNT PROPOSED TO BE RAISED BY DIRECT
PROPERTY TAXATION FOR THE VARIOUS PURPOSES; GIVING
NOTICE OF THE TIMES FOR HEARING TAXPAYERS, FOR ADOPTION
OF THE BUDGET AND FOR FIXING THE TAX RATE.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TEMPE, AS FOLLOWS:

SECTION 1. That the statements, estimates and schedules attached in Exhibit "A" are hereby adopted for the purposes as hereinafter set forth as the tentative budget for the City of Tempe for the fiscal year 2007/08.

SECTION 2. That the City Clerk be, and is hereby authorized and directed to publish in the manner prescribed by law (Arizona Revised Statutes §42-17103), the estimates of expenditures, as set forth in Exhibit "A", together with a notice that the Council will meet for the purpose of final hearing of taxpayers and for adoption of the fiscal year 2008/09 budget for the City of Tempe on the 5th of June, 2008, at the hour of 7:30 p.m. in the Council Chambers, 31 East Fifth Street.

SECTION 3. That the City Clerk be, and is hereby authorized and directed to publish in the manner prescribed by law (Arizona Revised Statutes §42-17103), a notice that the Council will:
(1) immediately following the public hearing on the estimates of expenses on June 5th, 2008, convene a special meeting for the purpose of finally determining and adopting the estimates of proposed expenditures for the various purposes set forth in the published proposal as the official budget of the City Council; and
(2) hold a meeting of the City Council to officially set the FY 2008/09 property tax rate on June 19th, 2008.

SECTION 4. The transfers of any sums within or without any specific appropriations shall conform to Section 5.08, Tempe City Charter.

SECTION 5. Money from any funds may be used for any of these appropriations, except money specifically restricted by State Law or by City Charter, Codes, Ordinances, or Resolutions.

SECTION 6. Schedules A through E are attached hereto as Exhibit "A" and incorporated herein by reference. Copies of this information, along with supporting documentation, are available for public inspection at the office of the Financial Services Manager, 20 East Sixth Street, Second Floor, and the City Clerk's Office, 31 East Fifth Street.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA,
this _____ day of _____, 2008.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Financial Services Manager

Exhibit A

Schedule A



Summary Schedule of Estimated Revenues and Expenditures/Expenses

Fund	Adopted Budgeted Expenditures/ Expenses 2007-08	Unaudited Estimated Expenditures/ Expenses 2007-08	Estimated Unreserved Fund Balance 7-1-2008	Direct Property Tax Revenues 2008-09
General	\$173,148,855	\$170,296,557	\$45,525,498	\$10,811,100
Special Revenue	83,885,434	81,988,985	62,032,893	165,000
Debt Service	17,513,497	15,556,608	27,073,322	23,726,547
Capital Projects	212,706,469	212,706,469	12,562,258	0
Enterprise	80,738,916	78,655,016	47,136,497	0
TOTAL	\$567,993,171	\$559,203,635	\$194,330,468	\$34,702,647

Expenditure Limitation Comparison	2007-08	2008-09
1. Budgeted Expenditures/Expenses	\$567,993,171	\$564,472,808
2. Budgeted Expenditures/Expenses Adjusted for Reconciling Items		
2. Less: Estimated Exclusions	(297,507,043)	(282,170,713)
3. Total Estimated Expenditures/Expenses Subject to Expenditure Limitation	270,486,128	282,302,095
4. Expenditure Limitation	\$270,486,128	\$282,302,095

Exhibit A

Schedule A, continued



Summary Schedule of Estimated Revenues and Expenditures/Expenses

Fund	Budgeted Revenues Other than Property Taxes	Proceeds From Other Financing Sources	Interfund Transfers 2008-09		Total Financial Resources Available	Budgeted Expenditures/Expenses
	2008-09	2008-09	In	(Out)	2008-09	2008-09
General	\$173,388,760	\$2,128,085	\$0	\$0	\$231,853,443	\$186,327,945
Special Revenue	87,131,428	0	0	(20,391,942)	128,937,379	97,949,428
Debt Service	887,276	0	2,770,000	0	54,457,145	23,180,569
Capital Projects	0	141,169,344	18,301,482	0	172,033,084	168,033,325
Enterprise	70,555,646	0		(679,540)	117,012,603	88,981,541
TOTAL	\$331,963,110	\$143,297,429	\$21,071,482	(\$21,071,482)	\$704,293,654	\$564,472,808

Schedule B



Summary of Tax Levy and Tax Rate Information

	2007-08 Fiscal Year*	Estimated 2008-09 Fiscal Year
1. Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17051(A))		\$10,976,100
2. Amount Received from Primary Property Taxation in the 2007-08 Fiscal Year in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17102(A)(18))		\$0
3. Property Tax Levy Amounts		
A. Primary Property Taxes	10,371,221	10,976,100
B. Secondary Property Taxes	21,364,887	23,726,547
C. Total Property Tax Levy Amounts	\$31,736,108	\$34,702,647
4. Property Taxes Collected		
A. Primary Property Taxes		
1. 2007-08 Levy	10,371,221	
2. Prior Years' Levies		
3. Total Primary Property Taxes	\$10,371,221	
B. Secondary Property Taxes		
1. 2007-08 Levy	21,364,887	
2. Prior Years' Levies	0	
3. Total Secondary Property Taxes	\$21,364,887	
C. Total Property Taxes Collected	\$31,736,108	
5. Property Tax Rates		
A. City Tax Rate		
1. Primary Property Tax Rate	0.5105	0.5070
2. Secondary Property Tax Rate	0.8895	0.8930
3. Total City Tax Rate	\$1.4000	\$1.4000

* Includes actual property taxes collected as of the date the proposed budget was prepared plus estimated property tax collected for the remainder of the fiscal year.


Summary by Fund of Revenues Other Than Property Taxes

Source of Revenues	Budgeted Revenues 2007-08	Estimated Revenues 2007-08*	Budgeted Revenues 2008-09
GENERAL FUND			
Local Taxes			
City Sales Tax	\$86,188,300	\$80,688,000	\$80,946,760
Hotel Bed Tax	3,267,200	3,359,838	3,405,200
Franchise Taxes	2,671,000	2,706,000	3,129,000
Licenses and Permits			
Business Licenses	1,200,650	1,202,250	1,337,250
Intergovernmental Revenues			
State-Shared	41,303,000	39,156,094	40,681,200
Vehicle License Tax	7,193,600	6,848,266	7,278,111
Charges for services			
Total Charges for Services	11,463,351	12,253,626	11,212,246
Fines and Forfeitures			
Total Fines and Forfeitures	7,271,553	7,004,308	9,397,789
Interest on Investments			
Total Interest	5,424,874	7,500,000	6,939,071
In-Lieu Property Taxes			
Total In-Lieu Property Taxes			
Voluntary Contributions			
SRP In-Lieu Tax	542,500	542,500	569,600
Miscellaneous Revenues			
All Miscellaneous	2,670,282	1,439,118	8,492,533
Total General Fund	\$169,196,310	162,700,000	173,388,760
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Intergovernmental	12,497,060	11,484,090	11,818,077
Maintenance of Effort/Other		1,035,000	1,035,000
Barricading Fees			482,000
Miscellaneous Revenue		209,970	209,970
Total Highway User Revenue Fund	12,497,060	12,729,060	13,545,047
Local Trans. Assistance Fund (LTAF)			
Intergovernmental	514,000	514,000	503,700
Total LTAF	514,000	514,000	503,700



Summary by Fund of Revenues Other Than Property Taxes

Source of Revenues	Budgeted Revenues 2007-08	Estimated Revenues 2007-08*	Budgeted Revenues 2008-09
Transit Fund			
Transit Tax	36,250,700	33,922,155	33,888,200
State Lottery Proceeds	253,100	253,100	248,100
ASU-Flash Transit	521,000	521,000	610,370
Interest Earned - Trust Investments	261,290	759,000	617,000
Federal and State Funding		5,979,000	14,937,583
Miscellaneous Revenue	7,381,324	1,342,535	2,772,473
Total Transit Fund	44,667,414	42,776,790	53,073,726
Rio Salado Fund			
City Sales Tax	692,800	800,000	800,000
Hotel Bed Tax		240,000	242,000
Interest on Investments		190,000	190,000
Miscellaneous Revenue	515,970	153,254	153,804
Total Rio Salado Fund	1,208,770	1,383,254	1,385,804
Performing Arts			
Performing Arts Tax/Interest Income	8,077,567	6,933,500	6,933,500
Fees and Admissions		350,000	421,500
Interest on Investments		415,165	241,956
Total Performing Arts Fund	8,077,567	7,698,665	7,596,956
Community Dev. Block Grant (CDBG)	2,314,184	2,324,057	2,169,428
Section 8 Housing	8,702,388	8,717,408	8,856,767
Total CDBG/Section 8 Funds	11,016,572	11,041,465	11,026,195
Total Special Revenue Funds	77,981,383	76,143,234	87,131,428
DEBT SERVICE FUND			
SRP In-Lieu Tax	887,276	887,276	887,276
Total Debt Service Fund	887,276	887,276	887,276
ENTERPRISE FUNDS			
Cemetery	120,000	217,175	451,722
Golf	2,038,205	2,089,181	2,072,379
Water/Wastewater	50,751,164	50,751,164	53,041,440
Solid Waste	14,450,403	14,596,148	14,990,105
Total Enterprise Funds	67,359,772	67,653,668	70,555,646
TOTAL ALL FUNDS	\$ 315,424,741	\$ 307,384,178	\$ 331,963,110

* Includes actual revenues recognized on the modified accrual basis as of the date the proposed budget was prepared plus estimated revenues for the remainder of the fiscal year.

Schedule D



Summary by Fund of Other Financing Sources and Interfund Transfers

Fund	Proceeds From Other Financing Sources 2008-09	Interfund Transfers 2008-09	
		In	(Out)
GENERAL FUND			
GF-Transfer	\$ 2,128,085		
SPECIAL REVENUE FUNDS			
HURF/LTAF			(2,770,000)
Transit			(17,621,942)
Total Special Revenue Funds	2,128,085	0	(20,391,942)
DEBT SERVICE FUND			
Total Debt Service Fund		2,770,000	
CAPITAL PROJECTS FUNDS			
Bond/Note Proceeds	97,414,407		
CIP - Other Funding	43,754,937		
CIP - Fund Balance Applied			
Total Capital Projects Funds	141,169,344	18,301,482	0
ENTERPRISE FUNDS			
Water/Wastewater Fund			(679,540)
Total Enterprise Funds	0	0	(679,540)
TOTAL ALL FUNDS	\$ 143,297,429	\$ 21,071,482	\$ (21,071,482)

Summary by Department of Expenditures/Expenses Within Each Fund

Fund/ Department	Budgeted Expenditures/ Expenses 2007-08	Expenditure/ Expense Adjustments Approved 2007-08	Estimated Expenditures/ Expenses 2007-08*	Budgeted Expenditures/ Expenses 2008-09
GENERAL FUND				
Mayor and Council	\$ 429,943		\$ 369,805	\$ 392,876
City Manager	363,884		273,047	336,240
Community Relations	2,977,457	(5,000)	2,893,401	2,987,173
Diversity Program	604,701	(16,159)	584,236	646,967
Internal Audit	500,620		491,389	510,867
City Clerk	734,318		734,123	824,487
City Court	4,140,201	111,888	4,216,309	4,516,196
Human Resources	3,261,368	279,527	3,517,424	3,296,547
City Attorney	3,163,681	19,674	3,163,587	3,240,493
Financial Services	4,639,581	(800)	4,535,338	4,643,787
Community Development	3,964,249	206,897	3,846,251	4,310,066
Development Services	6,833,694	18,480	6,589,366	6,562,339
Police	66,043,829	1,476,784	67,490,327	74,967,930
Fire	22,400,895	1,556,866	23,777,511	27,717,029
Community Services	14,639,346	58,000	14,049,287	14,860,592
Parks and Recreation	15,789,440	150,000	15,541,651	16,943,216
Public Works - General	9,807,148	458,126	10,067,483	10,679,281
Non-Departmental	9,274,500	(1,277,842)	8,156,022	7,605,859
Capital Projects				
Contingencies	3,580,000	(3,019,361)	0	1,286,000
Total General Fund	173,148,855	17,080	170,296,557	186,327,945
SPECIAL REVENUE FUNDS				
Highway User Revenue	10,297,962	(7,830)	10,131,058	11,119,454
Transit	51,893,704	(630)	50,520,913	64,370,597
CDBG	2,314,184	(35,060)	2,242,554	2,169,428
Section 8 Housing	8,702,388		8,804,798	8,856,767
Rio Salado	2,078,346		1,698,845	2,467,828
Performing Arts	8,598,850	(4,800)	8,590,817	8,965,354
Total Special Revenue Funds	83,885,434	(48,320)	81,988,985	97,949,428
DEBT SERVICE FUND				
Debt Service	17,513,497		15,556,608	23,180,569
Total Debt Service Fund	17,513,497	0	15,556,608	23,180,569
CAPITAL PROJECTS FUNDS				
All Capital Projects	212,706,469		212,706,469	168,033,325
Total Capital Projects Funds	212,706,469	0	212,706,469	168,033,325
ENTERPRISE FUNDS				
Water/Wastewater	63,890,154	(384,849)	62,010,472	71,242,018
Golf	2,078,836		2,027,004	2,108,511
Cemetery	389,084		332,877	385,303
Solid Waste	14,380,842		14,284,663	15,245,709
Total Enterprise Funds	80,738,916	(384,849)	78,655,016	88,981,541
TOTAL ALL FUNDS	\$ 567,993,171	\$ (416,089)	\$ 559,203,635	\$ 564,472,808

* Includes actual expenditures/expenses recognized on the modified accrual basis as of the date the proposed budget was prepared plus estimated expenditures/expenses for the remainder of the fiscal year.